operationalise this budget announcement, Government has decided that NABARD would provide refinance to cooperative banks to the tune of Rs. 14,000 crore at a concessional interest rate of 2.5% p.a. for the year 2006-07. This concessional refinance is to be provided to those cooperative banks that lend short term agriculture credit at 7% p.a. Instructions in this regard have been issued by NABARD. Government has now decided to give a subvention of 2% p.a. in 2006-07 to cooperative banks on their own funds used for short term lending provided they lend at 7% p.a. Government has also asked the State Governments to provide adequate subvention to cooperative banks to enable them to lend at 7% p.a.

(b) As per information with National Federation of State Cooperative Banks more than 4.5 crore farmers accounts were provided loans by the Cooperative Banks in the year 2004-05 at rates ranging from 9% to 15%. The farmers to be benefited under the present scheme is likely to be more than 4.5 crores in the year 2006-07 and the extent of benefit would range from 2% to 8% p.a.

(c) and d) RBI has issued guidelines pertaining to public sector banks. However, RBI has not formulated any guidelines for cooperative banks as such.

Private investment in building infrastructure

610. SHRI NANDI YELLAIAH: Will the Minister of FINANCE be pleased to state:

(a) the details of the major recommendations/observations made in the conference on 'Building Infrastructure Challenges and Opportunities' held in New Delhi in October recently;

(b) the names of the sectors identified therein for allowing private investment and the estimated investment requirement in each such sectors; and

(c) the details of the measures taken/proposed to be taken by Government to attract private investment to generate huge amount of funds required for accelerating the growth rate of nation's economy during the Eleventh Plan period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Sector-wise major observations made in the conference, *inter alia*, are as follows: Restructuring of NHAI, construction

of dedicated Rail freight corridors along identified routes, development of berths under PPP in major ports, development of metro and non-metro airports and attracting private investment to fulfill the investment requirements in various infrastructure sectors.

(b) Private investment is allowed in all identified infrastructure sectors namely, road, port, airports, railways, power and urban infrastructure. The investment requirements estimated by Planning Commission are Rs. 2,20,000 crore in the Highways sector by 2012, Rs. 40,000 crore for airports by 2010 and Rs. 50,000 crore for the ports sector by 2012.

(c) FDI has been permitted in various infrastructure sectors under automatic route. Recently a viability gap support scheme has been announced by the Govt. for infrastructure sectors under which Government will provide a capital grant at the stage of project construction upto 40% of the total project cost. A SPV named Indian Infrastructure Finance Company Ltd. (IIFCL) has been set up for the purpose of providing long term debt to infrastructrue projects.

Monitoring of inflationary trends

611. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has a mandatory duty to monitor the economy for inflationary or deflationary tendencies;

(b) the details of the mandate of RBI in this regard;

(c) when specifically did the RBI detect the emergence of inflationary pressure in the current fiscal;

(d) whether it is a fact that RBI did not recognize such pressure at an early date; and

(e) the steps proposed to have multiple agencies monitor inflation instead of the RBI alone?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The preamble to the Reserve Bank of India (RBI) Act, 1935 authorises the RBI to "regulate the issue of Bank notes and keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage". In view of this mandate, the RBI, at the beginning of